



COPY

CALIFORNIA EMERGENCY MANAGEMENT AGENCY

February 11, 2009

Kathleen Rustrum, Sr. Administrative Analyst
County of Tuolumne
2 South Green Street
Sonora, CA 95370

Monitoring Report #M08-045

Dear Ms. Rustrum:

On December 18, 2008, the Office of Homeland Security (OHS), Monitoring and Audits Unit, Program Monitor, James Lewis conducted a desk monitoring review for the purpose of monitoring the County of Tuolumne OHS Grant Programs. I wish to thank you and your staff for the courtesy extended to Mr. Lewis during the review process. Enclosed, you will find the monitoring report for the following grants:

GRANT NUMBER	PROGRAM NAME	PERIOD MONITORED
2005-0015 #109-00000	FY05 Homeland Security Grant Program (HSGP)	10/01/04 - 03/31/07
2006-0071 #109-00000	FY06 Homeland Security Grant Program (HSGP)	08/04/06 - 03/31/08
2007-0008 #109-00000	FY07 Homeland Security Grant Program (HSGP)	07/01/06 - 03/31/10

The monitoring included a review of staffing needs, operational practices, source documentation, activities, and data reporting requirements. In addition, the monitor examined the grant for compliance with federal financial, administrative and auditing requirements, program guidelines, and other mandates as applicable. Finally, the monitor performed a selected review of accounting records that support the amounts claimed in your reimbursement requests. Project expenditures were validated to provide reasonable assurance that expenses are related to the grant, proper records are maintained, and expenditures are properly authorized and recorded.

As a reminder, the purpose of monitoring is to assist projects in the achievement of their goals and aiding them in administering their grant funds in the most effective and efficient manner. The monitoring is used as a tool to assist the subgrantee in complying with these requirements. Your OHS Program Representative will receive a copy of the monitoring report. Their name and phone number are identified on the face sheet of the report.

If the monitoring report does not identify any findings, a Corrective Action Plan is not necessary and the monitoring process is complete. **If any findings are identified in the monitoring report, you will have 120 days from the last day of the monitoring review to submit a Correction Action Plan to the Program Monitor.**

Monitoring Report #M08-045

Page 2

The corrective action process requires the following:

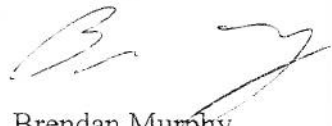
Submission of an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff (i.e. technical assistance).

When corresponding to our office regarding this monitoring report, please include the monitoring control number on all correspondence. Send your response to:

Governor's Office of Homeland Security
Grants Administrative Section
Monitoring & Audits Unit
State Capitol
Sacramento, California 95814

Thank you for your participation in the monitoring process. If you have any questions regarding this letter or the attached report, please feel free to contact the program monitor.

Sincerely,



Brendan Murphy
Deputy Director
Division of Administration

Attachment

cc: Sarah Knight, OHS Program Representative
Monitoring & Audits Unit, chron file
Grants Management Unit, grant file

Monitoring Report Response Form

TO: Governor's Office of Homeland Security Grant Numbers: 2005-0015
2006-0071
2007-0008
Grants Management Section
Monitoring & Audits Unit Monitoring Control #M08-045
State Capitol
Sacramento, CA 95814 Number:
Attention: Monitoring & Audits Unit Response Due: April 30, 2009

FROM: Subgrantee: _____

Completed

☐

I have reviewed the above referenced monitoring report and have submitted for your review and approval, an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff.

Authorized Signature Title Date

Typed Name Title Telephone Number



**CALIFORNIA EMERGENCY
MANAGEMENT AGENCY (Cal-EMA)
MONITORING NARRATIVE REPORT**

GRANT/FIPS NUMBER	PROGRAM NAME	PERIOD MONITORED	MONITORED AMOUNT
2005-0015 #109-00000	FY05 Homeland Security Grant Program (HSGP)	10/01/04 to 03/31/07	\$275,321
2006-0071 #109-00000	FY06 Homeland Security Grant Program (HSGP)	08/04/06 to 03/31/08	\$190,409
2007-0008 #109-00000	FY07 Homeland Security Grant Program (HSGP)	07/01/06 to 03/31/10	\$196,622

County of Tuolumne (Office of Emergency Services) Tuolumne Operational Area			
AUTHORIZED AGENT:	Kathleen Rustrum	ADDRESS:	2 South Green Street Sonora, CA 95370
CONTACT EMAIL:	krustrum@co.tuolumne.ca.us		
CONTACT PHONE NUMBER:	(209) 533-5528		
ALTERNATE POINT of CONTACT:	Maureen Frank		
CONTACT EMAIL:	mfrank@co.tuolumne.ca.us		
PROGRAM REPRESENTATIVE:	Sarah Knight	E-mail:	Sarah.Knight@ohs.ca.gov
PHONE NUMBER:	(916) 322-9067		
PROGRAM MONITOR:	James Lewis	E-mail:	James.Lewis@ohs.ca.gov
PHONE NUMBER:	(916) 322-2335	DATE OF MONITORING:	December 30, 2008

PERSONS INTERVIEWED DURING MONITORING VISIT

NAME	TITLE	AGENCY
Kathleen Rustrum	Sr. Administrative Analyst	Tuolumne Co. OES

Prepared by:

James Lewis, Program Monitor, OHS Administration Division, Monitoring & Audits Unit

Date

Approved by:

Brendan Murphy, Deputy Director, OHS Administration Division, Monitoring & Audits Unit

Date

Tuolumne County OA Monitoring Report

Monitoring Report Summary	Total # of Items in Category	In Compliance	Not in Compliance	Not Monitored	Not Applicable	Total
A. Administrative Review						
Review of Audit Reports	2	2				2
Grant Assurances	1	1				1
Grant Approval Notification	2	2				2
Performance Reports	1				1	1
Homeland Security Strategies	1	1				1
Publication of Published Materials	1				1	1
B. Programmatic Review						
Program Goals and Objectives	2	2				2
Exercise	2				2	2
Training	1		1			1
Planning	1				1	1
C. Financial Management						
Accounting System	8	6	2			8
Distribution of Funds	1	1				1
Advance of Funds	2				2	2
Change Requests/Modifications	2	2				2
Maintenance of Records	1	1				1
D. Fiscal: Personnel Services						
Management and Administrative Services	3	2	1			3
Overtime/Back Fill	3				3	3
E. Fiscal: Procurement						
Responsibility	1		1			1
Methods of Procurement	4	3			1	4
F. Fiscal: Equipment & Property Management						
Equipment Purchases	3	3				3
Property Management & Records Keeping	2	2				2
G. Subgrantee Monitoring & Oversight						
Subrecipient single audit requirements	1	1				1
Management and Administrative Responsibility	1				1	1
Overtime/Backfill/CTO Responsibility	1				1	1
Procurement Responsibility	1				1	1
Equipment & Property Management Responsibility	1				1	1
Total	49	29	5	0	15	49

Tuolumne County OA Monitoring Report

PROGRAM SUMMARY

Corrective Action Plan: Required.

MONITORING REPORT DETAIL

A. Administrative Review: Subgrantee in compliance (6 items); Not applicable for Subgrantee (2 items).

1. **Review of Audit Report:** Subgrantee in compliance (2 items).
2. **Grant Assurances:** Subgrantee in compliance (1 item).
3. **Grant Approval Notification:** Subgrantee in compliance (2 items).
4. **Performance Reports:** Not applicable for Subgrantee (1 item).
5. **Homeland Security Strategies:** Subgrantee in compliance (1 item).
6. **Publication of Materials:** Not applicable for Subgrantee (1 item).

B. Programmatic Review: Subgrantee in compliance (2 items); Subgrantee not in compliance (1 item); Not applicable for Subgrantee (1 item).

1. **Program Goals & Objectives:** Subgrantee in compliance (2 items).
2. **Exercise:** Not applicable for Subgrantee (2 items).
3. **Training:** Subgrantee not in compliance (1 item).

Trainings activities/costs allowable and applicable. Subgrantee not in compliance (1 item).

Requirement: Per the Grant Guides, Training costs include: overtime/CTO/fringe benefits, backfill, regular time/overtime/CTO, contractors/consultants, conference/workshop/meeting related expenses, materials/supplies and travel costs. Eligible Training activities include establishment of CBRNE and cyber security training programs, attendance at ODP-sponsored and approved CBRNE training courses, backfill behind employees those courses, planning and conducting training workshops, training plan development and design/develop/conduct and evaluate CBRNE training.

Tuolumne County OA Monitoring Report

- B. 3. **Finding #1:** The Training items were not properly identified on the subledgers by invoice numbers or vendor nor were they specified on the invoices. This hindered the monitoring process for the Monitor.

Action Required: The subgrantee must provide a revised subledger if not copies of the invoices with the necessary identification for complete source documentation. The monitor advises the subgrantee to utilize a stamp for each invoice that indicates the grant, grant source, grant year, budget, project, vendor/invoice number, signature and date. The subgrantee must indicate in the corrective action plan how these omissions will not occur in the future.

4. **Planning:** Not applicable for Subgrantee (1 items).

- C. **Financial Management:** Subgrantee in compliance. (9 items); Subgrantee not in compliance. (2 items); Not applicable for Subgrantee (3 items).

1. **Accounting System:** Subgrantee in compliance. (6 items); Subgrantee not in compliance. (2 items).

- a. Financial Reporting: Subgrantee in compliance. (1 item).
- b. Source Documentation: Subgrantee not in compliance. (1 item).

Requirement: Per 28CFR66.20(b)(6) DOJ Financial Guide, Part III, Chpt.12, All expenditures must be supported by source documentation including original records. The subgrantee must be able to show with documentation that general ledger entries can be traced or reconciled to the individual reimbursement request.

Finding #2: While reviewing the Grant Reimbursement Periods, the Monitor noted that none of the invoices indicated "PAID" unless there were receipts. The Monitor could not assume that all invoices were paid without such indication. This finding will affect the following compliance, also. For example, invoices for the reimbursement request period of July 1, 2006 through December 27, 2006 invoices are not properly marked either by "paid" or project or by a breakdown of the billing, and the M&A for this period is not properly identified. Further, the subledgers are general and do not specify the Training and M&A costs and/or breakdown of costs, nor do they indicate invoice numbers which would help identify them.

Action Required: The subgrantee is required to submit a corrective action plan that ensures all source documentation is properly indicated or labeled as paid. The Monitor suggests that the subgrantee utilize a stamp for each invoice to indicate the grant, grant source, grant year, budget, project category, signature and date.

- c. Double Billing: Subgrantee not in compliance. (1 item).

Tuolumne County OA Monitoring Report

- C. 1. c. **Requirement:** Pursuant to 28CFR66.20 (b) (2) the subgrantee must ensure that costs charged to OHS were not also billed and/or reimbursed by other funding sources.

Finding #3: Because of the subgrantee's lack of source documentation reviewed at the time of the desk monitoring, the monitor is unable to ensure that the subgrantee has not, in fact, doubled billed grant related funds. Due to a lack of consistency with invoice coding, the subgrantee can not themselves ensure that they have not double billed.

Action Required: Pursuant to the previous compliance, the subgrantee must submit a corrective action plan that ensures that original and subsidiary documentation provides safeguards to adequately ensure that cost charged to OHS funding are not also billed and/or reimbursed by other funding sources by containing the necessary information pertaining to expenditures. As stated in the corrective action required for Finding #1 in B.4., the use of a stamp that includes the grant, grant source, grant year, budget, project, invoice number, signature and date would provide a safeguard against double billing.

- d. Supplanting: Subgrantee in compliance. (1 item).
- e. Accounting Basis: Subgrantee in compliance. (1 item).
- f. Commingling of Funds: Subgrantee in compliance. (1 item).
- g. General Ledger Accounting Structure: Subgrantee in compliance. (1 item).
- h. Costs Directly Related: Subgrantee in compliance. (1 item).

- 2. **Distribution of Funds**: Subgrantee in compliance (1 item).
- 3. **Advance of Funds**: Not applicable for Subgrantee (2 items).
- 4. **Change Request/Modifications**: Subgrantee in compliance (2 items).
- 5. **Records Maintenance**: Not applicable for Subgrantee. (1 item).

- D. **Fiscal: Personnel Services**: Subgrantee in compliance (2 items); Subgrantee not in compliance (1 item); Not applicable for Subgrantee (3 items).

- 1. **Management and Administrative Services**: Subgrantee in compliance (2 items); Subgrantee not in compliance. (1 item)
 - a. Allocation: Subgrantee in compliance (1 item).

Tuolumne County OA Monitoring Report

- D 1. b. Allowable Costs/Activities: Subgrantee not in compliance (1 item).

Requirements: OMB a-122, Attachment B (m)(2); Individual Grant Guides: 2.5%-3.0% were allocated for "management and administration," including personnel, supplies, meeting expenses, overtime for full time and part time staff, travel, recurring fees, lease rental space, operational plan development, consultant & contractors costs.

Finding #4: M&A items are not properly identified or labeled on supporting documentation for FY 2005 reimbursement request period July 1 through December 29, 2006. This also occurs on FY 2006 even though the subledgers indicates there is M&A, but the M&A's are not specified even on the subledger. Further, for the reimbursement request period of July 1 -31, 2008, the subledger submitted indicates M&A yet it appears that the M&A costs must be included within the equipment costs.

Action Required: The subgrantee must provide at least a revised subledger to properly identify the M&A costs as prescribed in the requirements per the Grant Guides. Further, the subgrantee must provide a corrective action plan to ensure that in the future these requirements will be adhered to.

- c. Functional Timesheets: Subgrantee in compliance (1 item).

2. **Overtime/Backfill and/or CTO**: Not applicable for Subgrantee (3 items).

- E. **Fiscal: Procurement**: Subgrantee in compliance (3 items); Subgrantee not in compliance (1 item); Not applicable for Subgrantee (1 item).

1. **Responsibility**: Subgrantee not in compliance. (1 item).

Requirement: Per 28CFR61, 66.35, 66.36 and 67 and OMB A-110 I.41: "The subgrantee is responsible for maintaining a written code of standards of conduct regarding the settlement and satisfaction of all contractual and administrative issues arising from contracts of the subgrantee and grant award procurements. This includes, but is not limited to the procurement process, Davis-Bacon Act, NEPA/CEQA, disputes, debarment/exclusion or protests of awards."

Finding #5: In review of a partial of the County of Tuolumne's Purchasing Policy the Monitor found no indications of the Davis-Bacon Act as required by Grant Assurance No. 21, NEPA/CEQA compliances, small/large purchase compliances, debarment, and business enterprises. Further, the monitor noted the Purchasing Policy does not require or include review of the federal "debarment or suspended" list prior to entering into an agreement involving federal funds. While the monitor found no evidence that there were any contracts awarded to a debarred or suspended entity, the subgrantee still failed to ensure vendor eligibility prior to awarding a contract. Had the county entered into an agreement with a vendor on the debarment or suspended lists, the subgrantee would possibly have to back out associated costs.

Tuolumne County OA Monitoring Report

- E. 1. **Action Required:** The subgrantee must create an addendum to the purchasing policies to include the Davis-Bacon Act and the other compliances listed. The subgrantee must also self-certify the debarment status of a potential federal grant awardee is determined prior to making an award. The procurement/purchasing policy clause should cite the federal standard which includes the requirement for ensuring person or entities that have been debarred or suspended at the federal level will not be awarded OHS grant funds. The county must ensure that all vendors who purchase or who bid on contracts will be checked against the federal Excluded Parties List System (EPLS) before awarding any contracts or purchase orders. A debarment or suspended clause should be in any and all contracts. Further, the subgrantee must provide a corrective action plan to ensure that in the future these compliances will be included in every policy.
2. **Methods of Procurement:** Subgrantee in compliance (3 items); Not applicable for Subgrantee (1 item).
- a. Small Purchases: Subgrantee in compliance (1 item).
- Note:* Located in Tuolumne County's website "First 5 Procedure Manual."
- b. Formal Advertisement Invitation for Bid (IFB): Subgrantee in compliance (1 item).
- Note:* Located in Tuolumne County's website "First 5 Procedure Manual."
- c. Competitive Proposals: Subgrantee in compliance (1 item).
- Note:* Located in Tuolumne County's website "First 5 Procedure Manual."
- d. Noncompetitive Proposals: Not applicable for Subgrantee (1 item).
- F. **Fiscal: Equipment & Property Management:** Subgrantee in compliance (4 items); Not applicable for Subgrantee (1 item).
1. **Equipment Purchases:** Subgrantee in compliance (2 items); Not applicable for Subgrantee (1 item).
- a. Allowable and Applicable Equipment: Subgrantee in compliance (1 item).
- b. Prior Approval and Acquisition: Subgrantee in compliance (1 item).
- c. Proficiency Training: Not applicable for subgrantee (1 item).
2. **Property and Records keeping:** Subgrantee in compliance (2 items).

Tuolumne County OA Monitoring Report

G. Subgrantee Monitoring & Oversight: Subgrantee in compliance (1 item); Not applicable for Subgrantee (4 items).

- a. Audits of Subrecipients Responsibility: Subgrantee in compliance (1 item).
- b. Management & Administration (M&A) Responsibility: Not applicable for Subgrantee (1 item).

Note: Subgrantee indicates in monitoring field document that subrecipients are not allotted M&A costs and activities.

- c. Overtime/Backfill/CTO Responsibility: Not applicable for Subgrantee (1 item).

Note: Subgrantee indicates in monitoring field document that subrecipients are not allotted overtime, CTO and backfill.

- d. Procurement Responsibility: Not applicable for Subgrantee (1 item).

Note: Subgrantee indicates in monitoring field document that purchases are made for subrecipients.

- e. Equipment & Property Management Responsibility: Not applicable for Subgrantee (1 item).

Note: Subgrantee indicates in monitoring field document that equipment purchases are made for subrecipients.